



## DEPARTMENT OF COMMERCE

### Foreign-Trade Zones Board

[Order No. 1868]

Grant of Authority for Subzone Status and  
Partial Approval of Manufacturing Authority  
Toho Tenax America, Inc.  
(Oxidized Polyacrylonitrile Fiber and Carbon Fiber)  
Rockwood, Tennessee

Pursuant to its authority under the Foreign-Trade Zones Act of June 18, 1934, as amended (19 U.S.C. 81a-81u), the Foreign-Trade Zones Board (the Board) adopts the following Order:

WHEREAS, the Foreign-Trade Zones Act provides for "...the establishment... of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes," and authorizes the Foreign-Trade Zones Board to grant to qualified corporations the privilege of establishing foreign-trade zones in or adjacent to U.S. Customs and Border Protection ports of entry;

WHEREAS, the Board's regulations (15 CFR Part 400) provide for the establishment of special-purpose subzones for manufacturing activity when existing zone facilities cannot serve the specific use involved, and when the activity results in a significant public benefit, with a net positive economic effect, and is in the public interest;

WHEREAS, the Industrial Development Board of Blount County, grantee of Foreign-Trade Zone 148, has made application to the Board for authority to establish a special-purpose subzone at the oxidized polyacrylonitrile fiber (OPF) and carbon fiber manufacturing and distribution facilities of Toho Tenax America, Inc. (TTA), located in Rockwood, Tennessee, (FTZ Docket 57-2010, filed 9-29-2010);

WHEREAS, notice inviting public comment has been given in the *Federal Register* (75 FR 61696, 10/6/2010 and 75 FR 74002, 11/30/2010) and the application has been processed pursuant to the FTZ Act and the Board's regulations;

WHEREAS, the Board adopts the findings and recommendations of the examiner's report, and finds that the requirements of the FTZ Act and the Board's regulations are satisfied with regard to approval of the proposed subzone with authority for TTA to manufacture OPF and to manufacture 24K or higher tow, standard grade carbon fiber for export; and,

WHEREAS, at this time, the Board is unable to approve authority for manufacturing under FTZ procedures of carbon fiber with tow less than 24K or other than standard grade, or of any carbon fiber that TTA would sell in the U.S. market, because the record of the proceeding does not currently demonstrate that such manufacturing would result in a net positive economic effect and be in the public interest. However, the Board's staff will continue the review of the information in TTA's case record, as well as that presented in pending and projected FTZ applications for carbon fiber production and through any further industry questionnaire(s) or public hearing(s), before making any recommendation for a final determination regarding carbon fiber production for the U.S. market;

NOW, THEREFORE, the Board hereby grants authority for subzone status for activity related to the manufacturing and distribution of OPF and of 24K or higher tow, standard grade carbon fiber for export at the facilities of Toho Tenax America, Inc., located in Rockwood, Tennessee (Subzone 148C), as described in the application and

*Federal Register* notice, subject to the FTZ Act and the Board's regulations, including Section 400.13.

Signed at Washington, DC, this \_7th\_\_\_\_\_ day of \_November\_\_\_\_2012.

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Paul Piquado  
Assistant Secretary of Commerce  
for Import Administration  
Alternate Chairman  
Foreign-Trade Zones Board

ATTEST:\_\_\_\_\_  
Andrew McGilvray  
Executive Secretary

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